



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF WATER RIGHTS

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25 July 2000

Mr. Ralph Chynoweth, President
Henrieville Irrigation Company
PO Box 26
HENRIEVILLE UT 84736

RECEIVED

JUL 27 2000

WATER RIGHTS
SALT LAKE

RE: IRRIGATION COMPANY DISTRIBUTION POLICIES

Dear Mr. Chynoweth:

Your letter dated 20 July 2000 has been received in this office. You have written in response to my earlier letter dated 12 June 2000. In my earlier letter, I related to you two concerns expressed to our office by one of your stockholders.

Regarding the first concern, I understand your response to be that, in fact, your company is willing to make arrangements with stockholders who wish to use their shares in a more flexible manner. Such stockholders must contact the watermaster to make those arrangements. By my providing a copy of your letter and a copy of this letter, the concerned stockholder will be so informed. I trust that if the stockholder makes a reasonable request for an alternate arrangement, the watermaster will be instructed to take reasonable measures to accommodate that request. If the company and the stockholder cannot come to terms on what is "reasonable", this office has no authority to intervene nor to adjudicate that dispute.

The second concern is, in my opinion, the more serious of the two. I understand that you acknowledge that there is some unauthorized acreage that is being irrigated by the company system. We have discussed in the past the ramifications of this situation, and it has been further alleged that the company is relying upon assessments against that unauthorized acreage to meet its financial obligations. Certainly not an enviable situation for your company to be operating within. Without repeating all the prior cautions I have expressed to you in regard to this situation, I would again point out that this circumstance continues to make your company vulnerable to allegations that other stockholders – or other water right owners – are being illegally and unfairly impaired. Again, this office does not have the authority to adjudicate disputes as to the extent of impairment that may be occurring, but it seems obvious that some degree of impairment is inevitable. You are advised to seek immediate measures to begin retirement of the unauthorized acreage.

Sincerely,

Kerry Carpenter, P.E.
Regional Engineer

pc: Robert L. Morgan, P.E. / State Engineer
Lee Sim, P.E. / Assistant State Engineer - Distribution & Adjudication